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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* ROGER P. HOFFMAN

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Appeal 2008-5600  
Application 09/755,488  
Technology Center 3600

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Decided: January 26, 2009

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Before ANTON W. FETTING, DAVID B. WALKER, and BIBHU R.  
MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-8, 11, and 14-20. Claims 9-10, 12-13, and 21-22 have been cancelled. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF THE DECISION

We AFFIRM.

### THE INVENTION

The Appellants' claimed invention is directed to a system and method for requesting a quotation. The buyer inputs or chooses attributes of a specific product into a database, along with the quantity of product, and the delivery specifications. The buyer selects suppliers to submit the request for quotation to, and then submits the request for quotation to the suppliers. (Specification, 1-2). Claim 1, reproduced below, is representative of the subject matter of appeal.

1. A method for a buyer to request a quotation comprising:  
  
inputting or choosing attributes of a specific product into an electronic database;  
  
inputting the quantity of product;  
  
inputting delivery specifications;  
  
selecting directly, by a buyer, suppliers to whom to submit a request for quotation;  
  
submitting said request for quotation to said suppliers.

### THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Giovannoli	US 5,758,328	May 26, 1998
Breen	US 6,598,027 B1	July 22, 2003

Feldman, R. "Customer Service is Prime Spot for ISDN", MIS Week, Vol. 9, No. 1, pl. 2., January 4, 1988.

Robertson, Stephens "Founder Sanford R. 'Sandy' Robertson Invests in LIMITrader Securities; Takes Stake in New York Firm Pioneering Electronic Bond Trading", Business Wire, May 12, 1999.

"Western Energy, Inc. Acquires 51% of GETBIDS.COM", PR Newswire, pg. 6167, June 9, 1999.

Baatz, E. "An Auction with the Buyer Completely in Charge", Purchasing, Oct. 21, 1999, pages S56, S58, S61.

The following rejections are before us for review:

1. Claims 1 and 6 are rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz and Western Energy.
2. Claim 2 is rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy and official notice.
3. Claim 3 is rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy and Breen.
4. Claim 4 is rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and Giovannoli.
5. Claims 5 and 7 are rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, Giovannoli, and official notice.
6. Claims 19 and 20 are rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and official notice.
7. Claims 8 and 15-18 are rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman and official notice.

8. Claim 11 is rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice or Baatz, Feldman, official notice and Breen.

9. Claim 14 is rejected under 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice, or in the alternative, Baatz, Feldman, official notice and Robertson.

#### THE ISSUE

The first issue is whether the Appellant has shown that the Examiner erred in making the aforementioned rejections.

With regards to claims 1-6, 8, and 11, this issue turns on whether it would have been obvious to combine the Baatz and Western Energy references.

With regards to claims 7 and 20, this issue turns on whether it would have been obvious to combine the references of record in the rejection and to compare the attributes of the product, quantity of the product, and delivery specifications as taken in official notice.

With regards to claim 19, this issue turns on whether it would have been obvious to combine the references of record in the rejection and to copy the agreed terms into a purchase order as taken in official notice.

With regards to claims 15 and 16, this issue turns on whether it would have been obvious to combine the references of record in the rejections to check the credit of the buyer as taken in official notice.

With regards to claim 17, this issue turns on whether it would have been obvious to combine the references of record in the rejection and to use a database listing the previous sales as taken in official notice.

With regards to claim 18, this issue turns on whether it would have been obvious to combine the references of record in the rejection and to require a separate database of buyer and seller quotes as taken in official notice.

With regards to claim 14, this issue turns on whether it would have been obvious to combine the references of record and to require a secure chat room for buyers and sellers as taken in official notice.

### FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence<sup>1</sup>:

FF1. Baatz discloses that the buyer prepares the RFQ (Request for Quote) while the third party (Sorcity) contacts the seller (S58, col. 2-3).

FF2. Baatz discloses that the three lowest bidders are “introduced” to the seller before the commission is paid (S58, col. 3).

FF3. Baatz has disclosed the buyers can watch the bidding process (S58, col. 3).

FF4. Western Energy discloses that buyers select suitable vendors to do business with in an RFQ process to get the best product at the best price with the least effort.

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<sup>1</sup> See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

## PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, (1966). *See also KSR*, 127 S.Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739, and discussed circumstances in which a patent might be determined to be obvious. In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S.Ct. at 1739, (citing *Graham*, 383 U.S. at 12 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” The Court also stated “[i]f a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 1740. The operative question in this “functional approach” is thus “whether the

improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Court noted that “[t]o facilitate review, this analysis should be made explicit.” *Id.* at 1741 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”)). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.*

## ANALYSIS

### *Claims 1-6, 8, 11*

The Appellant argues that the rejection of claims 1 and 6 under 35 U.S.C. § 103(a) as unpatentable over Baatz and Western Energy is improper because Baatz states specifically that a third party (sorcity.com) selects the suppliers, not the buyer (Br. 11). The Appellant further argues that “You cannot modify Baatz with Western Energy since that would take out the payment required by Baatz” (Br. 12).

The Examiner determined that Baatz does not disclose a buyer directly selecting suppliers to whom to submit a request for quotation. However, the Examiner found this feature disclosed by Western Energy (Ans. 4). The Examiner determined that the modification of Baatz by Western Energy would be obvious for the advantage of allowing the buyer to select or exclude suppliers based on previous experiences with those



sellers (Ans. 4). The Examiner determined that payment can still be made to the third party (sorcity.com) disclosed by Baatz even if the buyer were to select the suppliers as disclosed by Western Energy in the proposed combination.

We agree with the Examiner. Baatz discloses that the buyer prepares the RFQ (Request for Quote) after which the third party (Sorcity) contacts the sellers (FF1). Western Energy discloses that buyers select suitable vendors to do business with in an RFQ process to get the best product at the best price with the least effort (FF4). One of ordinary skill in the art would have found the modification of the system disclosed by Baatz to have the buyer select the sellers for a RFQ for the advantage of having only entrusted sellers be involved in the process to be an obvious, predictable use of prior art elements according to their established functions. Allowing the buyer to select the sellers would allow them to use only trusted vendors in the process if desired. With regard to the Appellant's argument that in the Baatz reference that the buyer and seller cannot communicate until the 2% commission is paid (Br.12) we find that Baatz discloses that the three lowest bidders are "introduced" to the seller before the commission is paid (FF 2). With regard to the Appellant's argument that Baatz cannot be modified by Western Energy because that would take out the broker commission we find that the broker fee may still be made at the end of the transaction when the seller contracts with the buyer. For these reasons, the rejection of claims 1 and 6 under 35 U.S.C. § 103(a) as unpatentable over Baatz and Western Energy is not sustained.

With regards to the rejections of claims 2-5, the Appellant only argues that these claims are improperly rejected for the same reasons as claim 1. For the above reasons, the rejection of claims 2-5 is sustained as well.

The Appellant argues that the rejection of claim 8 under 35 U.S.C. § 103(a) as unpatentable over Baatz and Feldman is improper for the same reasons as claim 1. For the above reasons, the rejection of claim 8 under 35 U.S.C. § 103(a) as unpatentable over Baatz and Feldman is sustained as well.

The Appellant argues that the rejection of claim 11 under 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice or Baatz, Feldman, official notice and Breen is improper for the same reasons as claim 1. For the above reasons, the rejection of claim 11 under 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice or Baatz, Feldman, official notice and Breen is accordingly sustained as well.

#### *Claims 7 and 20*

The Appellant argues that the rejection of claim 7 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, Giovannoli, and official notice is improper because the claim requires comparing the attributes of the product, quantity of the product, and delivery specifications (Br. 14). The Appellant also argues that the rejection of claim 20 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and official notice is improper for the same reasons (Br. 15). The Appellant argues that Baatz does not disclose any comparisons regarding the suppliers other than the bid amount (Br. 14-15).

The Examiner has taken official notice in rejecting claim 7 that it is well known to compare quotes from different suppliers on such basis of specific attributes of the product, product quantity, and delivery specifications. Further, the Examiner has determined that it is implied in Baatz that the buyer uses factors other than only the lowest bid itself to make a selection since buyer is sent the three lowest bids and not just the single bid (Ans. 14-15).

We agree with the Examiner. Taking into account the attributes of the product, quantity of the product, and delivery specifications when making a purchase are well known in the art. The Appellant has acknowledged that it is known to compare quotes from different suppliers based on these factors (Br. 14). The modification of the system of Baatz to include comparing quotes from the three different suppliers on the basis of specific attributes of the product, product quantity, and delivery specifications is an obvious, predictable use of prior art teachings according to their established functions if not already inherent in the system. Taking into account the inferences and creative steps that a person of ordinary skill in the art would employ, the modification of Baatz for the buyer to use the attributes of the product, product quantity, and delivery specifications when selecting the appropriate vendor for the advantage of selecting the best vendor would have been obvious. For these the reasons, the rejection of claim 7 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, Giovannoli, and official notice is sustained. The rejection of claim 20 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and official notice is sustained for the same reasons.

*Claim 19*

The Appellant argues that the rejection of claim 19 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and official notice is improper because the claim requires copying the agreed terms into a purchase order (Br. 15).

The Examiner determined that it is well known to copy information (Ans. 15). The Examiner has found that it would have been obvious to one of ordinary skill in the art to copy agreed upon terms into a purchase order for the advantage of being able to document a purchase according to the agreed upon terms (Ans. 7).

We agree with the Examiner. It is common practice in business to copy the agreed upon terms in a purchase order to document the agreed to terms for both the buyer and seller. The modification between the Baatz and Western Energy references to further include copying any agreed to terms into a purchase order is considered an obvious, predictable combination of known elements readily apparent to one of ordinary skill in the art to document the agreed upon terms. Taking into account the inferences and creative steps that a person of ordinary skill in the art would employ, the modification of the references to include copying any agreed terms into a purchase order to document the agreed upon terms would have been obvious. For the above reasons, the rejection of claim 19 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and official notice is sustained.

*Claims 15-16*

The Appellant argues that the rejection of claims 15-16 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman, and official notice is improper since in Baatz the only party having its credit checked is the seller, not the buyer (Br. 16).

The Examiner determined that it is well known to maintain buyer credit profiles (Ans. 9). The Examiner has found that it would have been obvious to one of ordinary skill in the art to include a credit profile and a credit check of the buyers for the advantage of not selling to insolvent or untrustworthy sources (Ans. 8-9).

We agree with the Examiner. It is common practice in business to use credit checks to screen buyers for sellers. The proposed modification between the Baatz and Western Energy references to further include a credit check for the buyers is considered an obvious, predictable combination of known elements for the advantage of not selling to insolvent or untrustworthy sources. Taking into account the inferences and creative steps that a person of ordinary skill in the art would employ, the modification of the references to further include checking the credit of the buyers for the advantage of not selling to insolvent or untrustworthy sources is considered obvious. For the above reasons, the rejection of claims 15-16 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman, and official notice is sustained.

*Claim 17*

The Appellant argues that the rejection of claim 17 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman, and official notice is improper because the claim requires a database comprising a listing of previous sales (Br. 16). The Appellant argues that nothing in the Baatz reference discloses this.

The Examiner determined that it well known to maintain records of previous sales (Ans. 9, 17). The Examiner has determined that it would have been obvious to one of ordinary skill in the art to use a database listing of previous sales for the advantage of checking a seller's record of delivering products as advertised and on schedule, and the buyer's record of paying on time.

We agree with the Examiner. It is common practice in business to check past sales records when considering a supplier. The proposed modification between the Baatz and Western Energy references to further include a database listing of previous transactions by the buyers and sellers on the website is considered an obvious, predictable combination of known elements readily apparent to one of ordinary skill in the art for the advantage of determining the trustworthiness of the buyers and sellers being entered into a business transaction with in completing transactions. Taking into account the inferences and creative steps that a person of ordinary skill in the art would employ, the modification of the references to include a database listing the previous transactions by the buyers and sellers on the website for the advantage of determining the trustworthiness of the buyers and sellers being entered into a business transaction with in completing transactions is considered obvious. For the above reasons the rejection of claim 17 under

35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman, and official notice is sustained.

*Claim 18*

The Appellant argues that the rejection of claim 18 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman, and official notice is improper because the claim requires a searchable database of buyer/seller quotes (Br. 16).

The Examiner determined that Baatz shows that buyers can watch the bidding process and that this shows a quote history is maintained to some degree (Ans. 9). The Examiner also takes official notice that searchable databases are well known. The Examiner has determined that it would have been obvious to one of ordinary skill in the art to include a searchable database of buyer/seller quote histories to resolve any disputes that may arise in bidding.

We agree with the Examiner. Baatz discloses the buyers can watch the bidding process (FF3). Accordingly, at least some database of the bid history between the seller and buyer quotes is inherently maintained on the system of Baatz. The modification of Baatz and Feldman to include a conventional searchable database of these buyer and seller quotes would be obvious to resolve any disputes that may arise in bidding at a later time. For the above reasons the rejection of claim 18 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman, and official notice is sustained.

*Claim 14*

The Appellant argues that the rejection of claim 14 under 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice, or in the alternative, Baatz, Feldman, and official notice and Robertson improper because the claim requires a secured chat room for buyers and sellers (Br. 17).

The Examiner determined that Robertson teaches a trading system with a secure chat room for a buyer and seller to negotiate in (Ans. 10). The Examiner found that it would have been obvious to one of ordinary skill in the art to use a secured chat room for the advantage of facilitating negotiations.

We agree with the Examiner. It is common practice on the Internet to use chat rooms. The proposed modification between the references to include a chat room is an obvious, predictable combination of known elements for the advantage of facilitating negotiations in the system. Taking into account the inferences and creative steps that a person of ordinary skill in the art would employ, the modification of the references to include a chat room for negotiations between the seller and buyers who are introduced in order to facilitate and maintain negotiations on the third party website is obvious. For the above reasons, the rejection of claim 14 under 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice, or in the alternative, Baatz, Feldman, and official notice and Robertson is sustained.

CONCLUSIONS OF LAW

We conclude that Appellant has failed to show that the Examiner erred in rejecting claims 1 and 6 under 35 U.S.C. § 103(a) as unpatentable over Baatz and Western Energy.



We conclude that Appellant has failed to show that the Examiner erred in rejecting claim 2 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy and official notice.

We conclude that Appellant has failed to show that the Examiner erred in rejecting claim 3 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy and Breen.

We conclude that Appellant has failed to show that the Examiner erred in rejecting claim 4 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and Giovannoli.

We conclude that Appellant has failed to show that the Examiner erred in rejecting claims 5 and 7 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, Giovannoli, and official notice.

We conclude that Appellant has failed to show that the Examiner erred in rejecting claims 19 and 20 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Western Energy, and official notice.

We conclude that Appellant has failed to show that the Examiner erred in rejecting claims 8 and 15-18 under 35 U.S.C. § 103(a) as unpatentable over Baatz, Feldman and official notice.

We conclude that Appellant has failed to show that the Examiner erred in rejecting claim 11 is 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice or Baatz, Feldman, official notice and Breen.

We conclude that Appellant has failed to show that the Examiner erred in rejecting claim 14 under 35 U.S.C. § 103(a) as unpatentable over Baatz and official notice, or in the alternative, Baatz, Feldman, official notice and Robertson.

Appeal 2008-5600  
Application 09/755,488

DECISION

The Examiner's rejection of claims 1-8, 11, and 14-20 is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a) (1) (iv) (2007).

AFFIRMED

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